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DATE: July 2008
TO: HOME Rental Rehabilitation Program Administrators
FROM: Minnesota Housing HOME Rental Rehabilitation Team
SUBJECT: Program Update

This memo provides important program information. Please review and retain it for your records.
Your organization will be held responsible for knowing its content.

2008 Application Round: Working Together for a Faster Turn-around

Minnesota Housing's HOME Rental Rehabilitation Team has been working hard to prepare for the 2008 Application Funding Round. In order to more efficiently process applications and commit loans, we are streamlining some of our internal procedures. Some of our changes are based on feedback from Local Administrators and questions from the Webinar workshop earlier this year, as well as our own efforts to accommodate an increased number of applications due to the additional \$6 million for the 2008 round.

Goal: All pre-applications will be processed and the local administrator will be notified of missing or inaccurate information within 30 days of our receipt of the pre-application.

Goal: All loans with complete and final application materials submitted by September 9 will be committed by November 10.

Initial Processing- The HRR Team committed the 3 days after pre-applications were due to inputting all application information into our data system. This has helped us to more quickly note applications with missing information and to give quicker processing to applications that are nearly complete.

Standardize and Document Communication

We'll be using more emailed notices and documentation for all applications to ensure that local administrators are informed of the status of an application throughout each step of the funding process.

Improving Tracking Systems

We are working to improve the reports available through our data system and the ways we use these reports, so that we can keep the vital information, status, and pending documents for every project at our fingertips.

Coordinating with other Agency Funds-

Early in the application process, we will identify if other agency funds are in the project. This will enable us to coordinate right away with other agency staff to avoid duplicating any loan production or monitoring steps.

What Local Administrators Can Do:

Notify us of upcoming closings and completions

Please send an updated timeline of any upcoming project closings or completions so we can better plan our time. Email to meg.stinchcomb@state.mn.us this week.

Update our Contact Information

Please send any updated phone numbers and email addresses for your staff responsible for administering the HOME program and the Executive Director of your organization.

Open Pipeline Applications: A Future Possibility

The HOME Rental Rehab Team is considering changing Application submission to an Open Pipeline process. Funds would still be allocated among Local Administrators using our current formula, but applications for funds for specific projects would be accepted over a longer period. By avoiding the bottlenecks that can occur when 35-40 applications are submitted at once, we hope this could lead to a shorter initial processing time and a more timely distribution of funds. *We would greatly appreciate any feedback or questions from Local Administrators to help us consider all the implications of this possibility.*

Summary of 2008 HRR Funding Round Submissions

We received 42 applications for a total of approximately \$5.5 million. Here's a breakdown of the applications received, by Administrator:

Central MN Housing Partnership	9 projects	\$1, 643,761
City of Mankato	14 projects	\$546,000
Northwest Multi-County HRA	1 projects	\$196,000
Olmsted County HRA	5 projects	\$250,493
Otter Tail County HRA	1 projects	\$42,000
Redwing HRA	7 projects	\$938,000
Southeast Multi-County HRA	1 project	\$610,071
Southwest MN Housing Partnership	3 projects	\$1,260,088
West Central MN Housing Partnership	2 projects	\$42,000

2008 HRR Program Timeline

July 7	Pre-Applications Due
July 8-10	Initial Application Processing in HDS
August 7	By this time, pre-applications are processed and administrators are notified of necessary changes / additional submission requirements (if applicable).
September 9, 2008	Final Submission Deadline
October 1	Final Submission Deadline for "Additional Funds" applications
October	Monitoring Visits and Inspections by Minnesota Housing staff

November 10

Commitment Deadline for projects that submitted ALL completed application materials by September 9.

Fair Housing Resources

HUD's Direct Distribution Center provides documents to the public, HUD clients, and employees. Materials distributed include publications, handbooks, forms, posters; and mortgage letters, ethics letters, Title 1 letters, and labor relations letters.

Most items can be viewed on-line and are available to download 24 hours per day. Some items must be mailed and will arrive in 7 to 10 business days. To access materials, go to <http://www.hud.gov/offices/adm/dds/index.cfm>. Minnesota Housing strongly urges you to look at available documents and keep copies of relevant materials for distribution to property owners.

Lead-Based Paint Relocation Requirements- *Reminder*

Do all of your borrowers have a full understanding of the Lead-Based Paint requirements they must follow? HUD strictly enforces these regulations, as evidenced by their recent legal settlements with property owners throughout Minnesota (see the Lead Risk Lawsuit article, previously sent with the January 2008 Administrator's Update). Protect your deals by going over the Lead-Based Paint section of the Owner's Manual with your borrowers.

There has recently been some confusion regarding relocation during hazard reduction activities. Remind borrowers that occupants are not permitted to enter the worksite during hazard reduction activities and may need to be temporarily relocated during the work, depending on certain circumstances. If relocation is required, regulations do not permit a tenant occupant to waive this right. Guidance is available from 24 CFR 35.1345 and in the following Word document: [HUD Guidance on Relocation](#).

Monitoring

This year's monitoring visits by Minnesota Housing staff will be scheduled for October. Your Regional Representative will be contacting you to set up specific dates, confirm the properties to be inspected, and review our compliance requirements. We will be using new monitoring checklists this year based on feedback from a HUD Review of our Compliance and Monitoring procedures. Once we receive HUD's report, we will revise the monitoring checklists and send you the updates.

As you may recall from our last update, we have initiated a 'reminder' system to ensure timely submission of monitoring reports. The last week of each month your Regional Representative will send you an email notifying you of the monitoring reports that are due for the following month. We will also be keeping track of developments that are nearing the end their Effective (affordability) Period and checking to make sure that we have documentation evidencing compliance for the entire Effective Period. Satisfactions and/or Releases will not be issued if we cannot evidence compliance.

Minnesota Housing HOME Rental Rehab Program Contact Information

Staff Person	Phone Number/Email Fax # (651) 296-9545	Subject or Area
Julie LaSota	651-296-9827 julie.lasota@state.mn.us	Program Manager
Sue Morrison	651-215-1083 sue.morrison@state.mn.us	Central and Southeast Regions
Tere Hopponen	651-297-5709 tere.hopponen@state.mn.us	West Central, Southwest and Northwest Regions
Amy Melmer	651-296-8167 amy.melmer@state.mn.us	Legal/Closing Representative
Jerry Narlock	651-215-6239 gerald.narlock@state.mn.us	Architectural Review/ Lead-Based Paint
Meg Stinchcomb	651-296-3683 meg.stinchcomb@state.mn.us	Administrative Oversight